

Roe Statement on Senate Democrat Health Care Takeover

WASHINGTON, DC ‐ Tonight, U.S. Congressman Phil Roe, M.D. (TN-1) made the following statement about the Senate Democrat Health Care Takeover (H.R. 3590) and the Reconciliation Act of 2010 (H.R. 4872):

I came to Congress to help enact health care reform. I've spent the last 30 plus years, not as a politician, but as a physician treating patients and delivering babies in East Tennessee. As a physician, I've seen first-hand the problems insurance companies created for patients. I've seen first-hand how government programs have made beneficiaries worse consumers of health care. I've seen how the cost of health care has exploded, so much so that many can't afford insurance. I've seen all these problems and I want to fix them.

However, this bill does nothing to lower the costs of health care ‐ it does the opposite. Democrats continue to ignore the problems we've experienced in Tennessee with TennCare, and are repeating these same mistakes by ramming this bill through Congress.

I've asked President Obama and the Democratic Majority repeatedly throughout this process to stop the backdoor deals, scrap this bill and come up with one that is bipartisan and good for the American people. They didn't listen, and now this massive expansion of government unparalleled in our nation's history has the potential to bankrupt future generations, lowering the standard of living for our children and grandchildren.

This bill will implement new taxes on businesses and families who are already struggling in East Tennessee and around the nation. It cuts Medicare, and further compromises access to physicians.

Today I stand up for East Tennessee and the American people by voting 'NO' and rejecting this bad bill.

To view Congressman Roe's statement on the House floor regarding the legislation, please [click here](#).

The following are some concerns regarding H.R. 3590 and H.R. 4872:

Raises Taxes and Cuts Medicare: The bill increases taxes by \$569.2 billion over ten years that will harm small businesses and middle-class families. The bill also includes \$528.5 billion in cuts to Medicare, cutting benefits and raising premiums on seniors. These cuts are not used to reduce the deficit, or improve the solvency of the Medicare program but instead to create new entitlement programs.

Medicare Tax: The bill increases the Medicare payroll tax by 0.9% on individuals making \$200,000 and families making \$250,000 (not indexed to inflation) which creates a new marriage penalty and over time will hit more of the middle class. Furthermore, the bill adds an additional 3.8% tax on net investment income for these same individuals, estates, and trusts (net gain from selling property).

Employer Mandate: The employer mandate imposes a new tax on business, which will destroy current and new jobs during a time when millions of Americans are already unemployed. Employers who do not offer coverage would face a \$2,000 fine per employee - if at least one full-time employee is enrolled in an exchange plan and receives a premium subsidy. Even if an employer offers coverage, it will have to pay up to \$3,000 per employee if the coverage is deemed 'unaffordable' by the federal government.

Unfunded State Mandate: Despite an estimated \$80 billion in taxpayer dollars lost every year due to Medicare and Medicaid fraud, the bill drastically expands the currently unsustainable Medicaid program from 100% of FPL to 133%, hurting already thinly stretched state budgets (a \$20 billion unfunded mandate).

Costs: The total cost of the bill is more than \$1.33 trillion (not including the \$371 billion 'Doc Fix' proposed in the President's budget), when including the cost to states for mandated Medicaid expansion (\$20 billion) and

authorized discretionary spending for grants, public programs, changes and funding for a variety of agencies that would be responsible for implementing the bill. The "true cost" of the bill once fully implemented (FY2014-2023) is over \$2.6 trillion, not including education spending according to Senate Budget Committee Republican Staff.

Gimmicks: Even CBO has doubts that the long term cost containment mechanisms will remain intact. Gimmicks include tax-now-spend-later, leaving out the physician SGR "fix"; Medicare double-dipping, and the "Ponzi Scheme," a.k.a the long-term care CLASS Act. Thus, in reality, if you remove the off-budget Social Security Revenues (\$29 billion) and the CLASS Act (\$70 billion) from the deficit impact, account for CBO's incomplete discretionary spending estimate (\$114 billion), and account for Medicare double dipping (\$528.5 billion), the overall deficit increase is \$598.5 billion. Finally, if you add back in the SGR "fix" using the President's figures (\$371 billion), the total deficit will increase by a staggering \$969.5 billion.

Government Takeover: Many conservatives may believe that the bill is a huge step away from personal, private coverage and choice, to a Washington-controlled healthcare system that rations care, limits choice, and reduces quality, innovation, and competition. The bill creates 159 new government agencies to regulate insurance and medical care for Americans.

New Bureaucratic Boards that Cede the definition of Quality and Give More Power to the Federal Government: Maintains provisions such as the comparative effectiveness research board, the Patient Centered Outcomes Research Institute, the Independent Payment Advisory Board (IPAB or "MedPAC on steroids"), and more.

Chock-Full of Special Deals: The bill includes new backroom deals to buy-off the votes of a few members in rural districts, and old favorites such as the "Louisiana Purchase"; various provisions still part of the "Cornhusker kickback"; carve-outs for unions (including a \$27,500 threshold for a union worker before the "Cadillac Tax" hits compared to a \$10,200 threshold for non-union workers), DSH Payments for Tennessee, funding for the University of Connecticut, and asbestos money for Montana.

Constitutionality: The U.S. Constitution and the principle of limited government are tested as never before by forcing Americans to purchase "acceptable" health care coverage or face a tax of 2.5% of modified adjusted gross income. The definition provided in the bill for "acceptable" coverage will surely force some Americans to purchase plans that include coverage they cannot afford, or don't want or need.

Illegal Immigrants: The bill fails to adequately address citizen verification for individuals applying for low-income affordability subsidies, enrolling in Medicaid/CHIP, or enrolling in high risk pools. **Funds Abortions:** An Executive Order Can't Change the Law. The only way to truly prevent taxpayer funding of abortions is to enact a law that prevents taxpayer funding of abortions. The Senate bill does not meet that standard. Executive Orders are created by the President with the stroke of a pen, and they can be rescinded just as easily.

Lack of Medical Liability Reform: Trial lawyers get off scot-free as Democrats pay lip service to real medical malpractice reform, opting to hand over money for lawyer-friendly "alternatives" instead of limiting attorneys' fees or capping damages.

Forces Americans Out of Current Plans: The government-run plan will force tens of millions out of the coverage they currently have. CBO has estimated that 8-9 million people would be dumped from their employer sponsored coverage.

Increases Premiums: The Democrats' health care plan will increase premiums by 10-13%. As JCT, CBO, and six other studies have shown, imposing new taxes on insurance policies, health care products, and various new insurance regulations will drive up the cost of premiums for patients of all ages.

Increases Personal Health Expenditures: CMS Actuaries predict overall national health expenditures under the Senate bill alone (due to various regulations) will jump by \$222 billion.

Bends the Curve in the Wrong Direction: CBO estimates that the federal commitment to health care under the Senate bill would increase by \$210 billion, while the combined effect of the reconciliation bill and Senate bill would be a staggering

\$390 billion increase.

Student Loan Provisions Deceitful Gimmick to Pass Something that Could not Pass on its Own Merits: This student loan bill has no place in a healthcare bill. The only reason that Democrats are placing the student loan provisions into the reconciliation bill is because they do not have 60 votes in the Senate to pass it on its own.

Constitutes a Massive, Permanent Government Takeover of the Private Student Loan Industry: Liberals have been trying to achieve this goal since the early 1990's when the Direct Loan program (the government-run program) was created.

Does Not Factor in Market Risk: The CBO score for the student loan portions of the bill does not fully account for the cost of market risk — meaning inevitable defaults on loans. Adjusting for the cost of market risk will predictably decrease the savings projected under this bill.